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SENATE BILL 2972

By McNally

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, relative to property taxation.

WHEREAS, there is a need to promote rehabilitation of older residential neighborhoods and to preserve the diversity of housing stock and historic value of communities; and

WHEREAS, local governments need flexibility to encourage rehabilitation of older homes and neighborhoods through property tax deferral; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 5, Part 6, is amended by adding the following new section:

Section 67-5-607.

(a) For the purpose of valuing residential property, as defined in §67-5-501(10), the assessor of property shall not include in the valuation of any dwelling any increase in value due to renovation of the original structure of the dwelling.

(b)

(1) The provisions of this section shall apply only to those counties which, by a two-thirds (2/3) vote of the governing body of the county, choose to implement the provisions of subsection (a). Any county implementing such provisions shall in its resolution define the scope and terms by which an increase in assessed value of an older residential property shall be deferred.

(2) Any incorporated municipality which desires to implement the provision of subsection (a) may do so separately by a two-thirds (2/3) vote of its governing body. In that event, however, only the territory within the corporate bounds of the municipality shall be affected by the provisions of this section. Any municipality choosing to implement such provisions shall in its ordinance define the scope and terms by which an increase in assessed value of an older residential property shall be deferred.

SECTION 2. This act shall take effect January 1, 2003, the public welfare requiring it.